

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

PUBLIC

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FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/17 AND ENDING 12/31/17
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Robert A. Slanger & Company, Inc.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

1129 Broad Street, Suite 201

(No. and Street)

Shrewsbury

NJ

07702

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Kevin K. Hull, Chief Compliance Officer, (732) 389-3600

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PKF O'Connor Davies, LLP

(Name - if individual, state last, first, middle name)

665 Fifth Avenue

New York

NY

10022

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

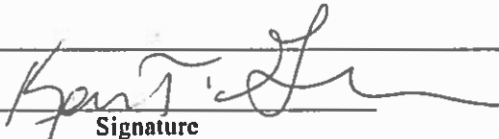
- ☒ Certified Public Accountant (Independent Registered Public Accounting Firm)
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, Kevin T. Gannon, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Robert A. Stanger & Company, Inc., as of December 31, 20 17, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows: None.


Signature

President
Title


Notary Public

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

Robert A. Stanger & Company, Inc.

Statements of Financial Condition

December 31, 2017 and 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Robert A. Stanger & Company, Inc.

Opinion on the Financial Statements

We have audited the accompanying statements of financial condition of **Robert A. Stanger & Company, Inc.** (the "Company") as of December 31, 2017 and 2016, and the related notes to the statements of financial condition (collectively referred to as the "financial statements"). In our opinion, the financial statements presents fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have served as the Company's auditor since 2009.

PKF O'Connor Davies, LLP

January 31, 2018

Robert A. Stanger & Company, Inc.

Statements of Financial Condition

	December 31,	
	2017	2016
ASSETS		
Cash and cash equivalents	\$797,195	\$784,399
Trade accounts receivable, net of allowance of \$25,000 and \$25,000	139,164	370,948
Prepaid expenses	236,440	222,970
Furniture and equipment and leasehold improvements, net of accumulated depreciation and amortization of \$342,692 and \$314,537	<u>13,577</u>	<u>31,148</u>
Total Assets	<u>\$1,186,376</u>	<u>\$1,409,465</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable	10,000	10,000
Accrued salary	-	150,000
Deferred revenue	<u>178,250</u>	<u>212,500</u>
Total Liabilities	<u>188,250</u>	<u>372,500</u>
Stockholders' Equity		
Capital stock, no par, 2,500 shares authorized, 175 and 150 shares issued and outstanding	654,997	520,297
Retained earnings	<u>343,129</u>	<u>516,668</u>
Total Stockholders' Equity	<u>998,126</u>	<u>1,036,965</u>
	<u>\$1,186,376</u>	<u>\$1,409,465</u>

The accompanying notes are an integral part of these financial statements.

Robert A. Stanger & Company, Inc.

Notes to Statements of Financial Condition December 31, 2017 and 2016

1. Organization

Business

Robert A. Stanger & Company, Inc. (the “Company”) was incorporated in the State of New Jersey in August of 1985. The Company provides services to the public, which includes acting as an agent in mergers and acquisitions, preparing fairness opinions, valuing securities and businesses and performing financial advisory services. The Company also is registered as a broker-dealer with the Securities and Exchange Commission.

2. Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates and those differences could be material.

Income Taxes

As an S Corporation, the Company’s Federal and New Jersey State income is taxed in the individual income tax returns of its stockholders. State income taxes are provided for on a minimum tax basis.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of purchase to be cash equivalents.

Allowance for doubtful accounts

The Company recognizes an allowance for losses on accounts receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. The expense associated with the allowance for doubtful accounts is recognized as bad debt expense. At December 31, 2017 and 2016, the allowance for doubtful accounts was \$25,000 and \$25,000, respectively.

Robert A. Stanger & Company, Inc.

Notes to Statements of Financial Condition (continued)

December 31, 2017 and 2016

2. Significant Accounting Policies (continued)

Furniture and Equipment

Leasehold improvements and equipment and furniture are recorded at cost. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using accelerated methods. Improvements are capitalized while expenditures for maintenance and repairs are charged to expense as incurred. Leasehold improvements are amortized over the life of the remaining primary lease term. Furniture is depreciated over an estimated life of 5 years and equipment is depreciated over an estimated life of 3 years.

Deferred Revenue Policy

Deferred revenues are reported when monies are received by the Company for services not yet provided. Revenue is recognized, and the deferred revenue liability eliminated, when the services have been rendered.

Accounting for Uncertainty in Income Taxes

Management has determined that the Company had no uncertain tax positions that would require financial statement recognition. The Company is no longer subject to U.S. federal, state, or local income tax audits for the periods prior to 2014.

Stock Grants: Compensation and Capital Stock

The Company has determined that stock grants are equity-classified awards under FASB ASC 718. Therefore, the Company accounts for the recognition of the fair value of stock grants over the vesting period. Under this method, compensation expense and additions to capital stock are recognized ratably between the grant date and each vesting date. When each grant is vested, the capital stock issued and outstanding increases.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosures and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 31, 2018.

Robert A. Stanger & Company, Inc.

Notes to Statements of Financial Condition (continued) **December 31, 2017 and 2016**

3. Furniture, Equipment, and Leasehold Improvements

Furniture equipment and leasehold improvements consist of the following at December 31:

	<u>2017</u>	<u>2016</u>
Furniture and Equipment	\$ 323,390	\$ 312,806
Leasehold Improvements	32,879	32,879
Less Accumulated Depreciation and Amortization	(342,692)	(314,537)
	<u>\$ 13,577</u>	<u>\$ 31,148</u>

4. Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and accounts receivable. The Company maintains cash with a single financial institution. At times, cash balances may exceed insured limits. Concentrations of credit risk with respect to accounts receivable are limited due to the good credit quality of the customers of the Company.

Approximately 19% and 42% of the Company's trade receivables were owed from one customer at December 31, 2017 and December 31, 2016, respectively.

5. Pension Plan

The Company sponsored a Simplified Employee Pension Plan through the end of 2014 covering substantially all employees. Beginning on January 1, 2015 the Company sponsored a 401K Plan. During 2017 and 2016, the Company made 401K mandatory contributions aggregating \$112,560 and \$115,033, respectively.

Robert A. Stanger & Company, Inc.

Notes to Statements of Financial Condition (continued) December 31, 2017 and 2016

6. Lease Obligations

The Company has an eleven-year operating lease for office space in New Jersey beginning July 1, 2009 at \$119,136 per annum. The lease expires on June 30, 2020. The lease agreement allows for an annual rent increase of 2%. The Company also has a twenty-four month operating lease for office space in New Jersey beginning July 1, 2017 at \$21,000 per annum. The lease expires on June 30, 2019.

The Company also leases various equipment under operating leases that expire at various times through the year 2020.

The following is a schedule detailing future minimum operating lease payments:

	<u>Office</u>	<u>Equipment</u>
2018	\$176,275	6,938
2019	168,850	6,938
2020	80,759	4,781
2021	-	469
2022	-	469
Totals	<u>\$ 425,884</u>	<u>\$ 19,595</u>

7. Net Capital Requirements

The Company is subject to the Uniform Net Capital Rule (Rule 15c3-1) under the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital, and requires that the ratio of aggregate indebtedness to net capital; both as defined, shall not exceed 15 to 1. As of December 31, 2017 and 2016, the Company had net capital of \$608,445 and \$411,399 which was \$595,895 and \$386,566 in excess of its required net capital, respectively. The Company's net capital ratio was 0.31 and 0.91 to 1 as of December 31, 2017 and 2016, respectively.

8. Litigation

The Company was not a party to any litigation in 2017 or 2016.